

**House File 2470 - Introduced**

HOUSE FILE 2470

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 667)

**A BILL FOR**

1 An Act providing for sales and use taxes collected on farm  
2 machinery and equipment.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 8, Code Supplement  
2 2011, is amended by adding the following new paragraph:

3 NEW PARAGRAPH. *c.* For purposes of this subsection,  
4 machinery and equipment qualifies for the exemption as  
5 farm machinery and equipment under paragraph "a", if it  
6 is manufactured for use in agricultural production and is  
7 manufactured to be pulled by, or attached to, self-propelled  
8 farm machinery and equipment.

9 EXPLANATION

10 This bill provides for an exemption from sales and use taxes  
11 imposed on machinery and equipment sold for farm use (Code  
12 sections 423.3 and 423.6). The exemption applies to machinery  
13 and equipment directly and primarily used in agricultural  
14 production. The bill provides that machinery and equipment  
15 qualifies for the exemption if it is manufactured for use in  
16 agricultural production and is manufactured to be pulled by, or  
17 attached to, self-propelled farm machinery and equipment.